

HERMOSA BEACH CITY SCHOOL DISTRICT

TO: Board of Education

FROM: Patricia Escalante
District Superintendent

DATE: July 9, 2014

SUBJECT: LEASE AGREEMENT BETWEEN THE CITY OF HERMOSA BEACH AND
THE HERMOSA BEACH CITY SCHOOL DISTRICT USE OF FACILITIES
AT SOUTH PARK

RECOMMENDATION

It is recommended that the Board of Education approve the lease agreement with the City of Hermosa Beach to use facilities at South Park for one year to move the District Office from the Hermosa Valley School campus to accommodate student overcrowding.

BACKGROUND

Since 1990, the Hermosa Beach City School District has experienced a continued growth in student enrollment. The need to increase the number of classrooms to accommodate this growth has impacted the use of current district facilities. In 2012-13 school year, the multipurpose rooms at both View and Valley Schools were re-purposed into a total of 4 additional classrooms.

In 2013-2014 school year, 6 portable classrooms were added to the school sites, 4 at View and 2 at Valley. In 2014-2015 school year, it is the intent for the District Office to relocate from its current location on the Valley School site to accommodate the student overcrowding.

Superintendent Escalante explored the possibility of moving the District Office to the Hermosa Beach Community Center, but the available space at the Community Center does not suit the needs of the District Office. The City has 4 rooms at South Park which are only in use in the afternoon, one room by the City Parks and Recreation Department's after school student child care and three rooms by the Hermosa Beach City School District for its after school student child care program. By relocating the District's after school student child care to Hermosa View School, it frees up three rooms and allows the District Office to occupy the space under a lease agreement.

The City currently pays for the busing of Hermosa View students to South Park for the District's after school program at a cost of approximately \$40,000. This cost will no longer be incurred by the City.

The City Council approved this Lease Agreement on June 24, 2014.

**LEASE AGREEMENT BETWEEN THE CITY OF HERMOSA BEACH
AND THE HERMOSA BEACH SCHOOL DISTRICT**

This Lease Agreement is made and entered into on this, day of _____, 2014, by and between the City of Hermosa Beach, a California municipal corporation ("City") and the Hermosa Beach School District, a California public school district ("Lessee").

RECITALS:

- A. City is the owner of certain real property with a building (the "building") located thereon at 425 Valley Drive, Hermosa Beach, CA, the legal description of which is set forth in Exhibit A attached hereto and incorporated herein by this reference thereto (the "property").
- B. Lessee desires temporarily to lease a portion of the building from the City (the "premises") and the City is willing to lease a portion of the building to Lessee for the purposes and on the terms and conditions set out herein.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

- 1. **Lease.** City hereby leases the premises to Lessee subject to the terms and conditions set forth herein.
- 2. **Term.** The term of this lease shall be for a period of one (1) year commencing on the _____ day of _____, 2014, and ending on the ____ day of _____, 2015. At the end of the one-year term and at each one-year anniversary thereafter, the Term shall be automatically extended for an additional year, subject to the right of either of the parties to terminate pursuant to paragraph 19 herein.
- 3. **Description of Premises.** The Lessee is leasing from the City that portion of the facility described as:

2 Lower Classrooms and 1 Upper Classroom at South Park
- 4. **Rent.** Lessee agrees to pay to the City rent in the amount of \$1 per year, payable annually on the anniversary date of this Lease or payable in advance in a single lump sum.
- 5. **Use.** Lessee agrees to use the premises only for the following purpose or purposes and for no other purpose, without the express written consent of City: The three (3) rooms leased will be used for the purpose of housing on a temporary basis the Hermosa Beach City School District offices. Lessee acknowledges and agrees that the use is consistent with the terms and restrictions contained in the Agreement for Purchase and Sale of Real Property between the parties dated August 19, 1991.
- 6. **Insurance.** Lessee shall obtain and maintain at all times during the term of this Lease:

Comprehensive General and Automobile Liability insurance. Protecting Lessee in amounts not less than \$1,000,000 for personal injury to any one person, \$1,000,000 for injuries arising out of any one occurrence, and \$1,000,000 for property damage or a combined single limit of \$2,000,000. Such insurance shall name City of Hermosa Beach and its officers, employees, and agents as additional insured parties. Coverage shall be in accordance with the sample certificates and endorsements attached hereto and must include the coverage and provisions indicated.

Lessee shall file and maintain the required certificate(s) of insurance with City at all times during the term of this agreement. The certificate(s) is to be filed prior to the commencement of the work or event and should state clearly:

1. The additional insured requested;
2. Thirty day prior notice of change or cancellation to the City of Hermosa Beach;
3. Insurance is primary to that of the Additional Insured;
4. Coverage included;
5. Cross-liability clause.

Worker's Compensation Insurance. Lessee shall obtain and maintain at all times during the term of this agreement Worker's Compensation and Employers Liability insurance and furnish the City with a certificate showing proof of such coverage. Such insurance shall not be canceled or materially changed without a thirty (30) day prior written notice to: City Manager, City of Hermosa Beach.

7. **Condition of the Premises Upon Termination of the Lease.** Lessee agrees to keep and maintain the premises in good condition and repair and to return to City the premises upon termination of this Lease in the same condition as when Lessee took possession of the premises excepting any repairs or alterations which were approved by the City, reasonable wear and tear excepted, and does promise to pay the City upon demand the reasonable sums to repair the premises in the event of a violation of this provision.

8. **Construction.** Lessee is prohibited from making any alterations or performing any construction or remodeling that requires issuance of a building permit on the premises without the express written approval of City. Any such approval shall include provisions to protect the City from potential liens of labor and material persons. Lessee shall abide by the following conditions:

Lessee shall not mark, drill or deface any walls, ceilings, floors, wood or iron work without City's written consent.

9. **Maintenance.** Lessee will provide janitorial and refuse collection services in connection with its use of the premises. Further, Lessee shall be responsible for replacing light bulbs and lighting fixtures, replacing carpet and painting the interior of the rooms should it elect in its discretion to do so. City shall be responsible for proper maintenance and repair of building systems, including electrical, plumbing and mechanical systems.

10. **Destruction, Partial Destruction or Necessity to Repair because of Conditions Caused by Other than Lessee.** City has no duty or obligation to reconstruct the premises in the event of destruction or partial destruction of the premises. City at its option may reconstruct or repair the premises,

whereupon this Lease shall remain in full force and effect except that no rent will be owing to City during said period of reconstruction or repair if such reconstruction or repair interferes with the tenancy created herein to the extent that the premises cannot be used for the purposes intended. In the event City, at its sole discretion, determines not to reconstruct or repair the premises then either party at its option may cause this Lease to be terminated and neither party shall have any liability each to each other.

11. Hold Harmless.

a. Lessee shall hold harmless and indemnify the City, its officers, agents and employees from every claim or demand which may be made by reason of any injury and/or death to persons and/or injury to property caused by any direct or indirect act or any omission of Lessee, its officers, agents and employees arising out of Lessee's use of the premises. Lessee, at its own cost, expense and risk shall defend any and all actions, suits or other proceedings that may be brought or instituted against the City on any such claim or demand, and pay or satisfy any judgment that may be rendered against the City on any such action, suit, or legal proceedings as a result hereof.

b. City shall hold harmless and indemnify Lessee, its officers, agents and employees from every claim or demand which may be made by reason of any injury and/or death to persons and/or injury to property caused by any direct or indirect act or any omission of the City, its officers, agents and employees arising out of the City's use of the premises. City, at its own cost, expense and risk shall defend any and all actions, suits or other proceedings that may be brought or instituted against Lessee on any such claim or demand, and pay or satisfy any judgment that may be rendered against the Lessee on any such action, suit, or legal proceedings as a result hereof.

12. Rules, Regulations and Ordinances. Lessee agrees to comply strictly with all applicable laws, ordinances and regulations pertaining to occupancy and use of the building. Lessee shall provide access to the premises to City's officials and employees at any time upon request, to inspect the condition of the premises and to otherwise assure compliance with the terms and conditions of this Lease.

13. Taxes and Charges. Lessee agrees to pay when due any and all taxes, assessments or charges levied by any governmental agency on or to the leasehold premises. Lessee acknowledges that the leasehold interest may be subject to a possessory interest tax, for which it is responsible under this paragraph.

14. Default. Should Lessee fail to perform any obligation required pursuant to the terms of this Lease within thirty days after notice from the City, City may immediately cause this Lease to be terminated and thereafter take any action and pursue all remedies available in law and equity.

15. Notice. Any notice required to be made or given pursuant to the provisions of this lease may be either personally served upon the party or deposited in the United States mail, postage prepaid.

City: CITY OF HERMOSA BEACH
CITY HALL
1315 VALLEY DRIVE
HERMOSA BEACH, CA. 90254

Lessee: HERMOSA BEACH CITY SCHOOL DISTRICT
HERMOSA BEACH, CA 90254
ATTN: Superintendent

Any notices so given pursuant to the provisions of this paragraph will be deemed served twenty-four hours after the deposit thereof in the United States mail.

16. **Attorneys' Fees.** The parties agree that in the event any action is instituted concerning any of the provisions of this Lease Agreement, the prevailing party may in the discretion of the court be granted reasonable attorneys' fees and costs of suit.

17. **Assignment and Subletting.** Lessee shall not assign or sublease all or any portion of the premises without the written consent of the City, which consent may be granted or denied at the exclusive and total discretion of the City.

18. **Successors.** Subject to prior provisions, this Lease is binding upon the heirs, assigns and successors of interest of the parties.

19. **Termination.** Notwithstanding any other provision of this lease, both parties reserve the right to terminate the lease at any time and without cause upon giving 30 days written notice to other party.

20. **Non-discrimination.** Lessee shall not in the management, operation, rental, use, or maintenance of the premises discriminate against any person or group based on race, religion, color, medical condition, sex, national origin, political affiliation or opinion, or pregnancy or pregnancy-related condition.

In Witness Whereof, the parties have executed this Lease Agreement at Hermosa Beach, CA on the day first herein above set forth.

HERMOSA BEACH, a
Municipal Corporation, Lessor

By _____
Mayor

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

_____ CITY ATTORNEY

DATE:

LESSEE:
